

January 11, 2018

*Utility Account Presentation to the Joint Legislative Economic
Development and Global Oversight Committee*

Utility Account Overview

- Funds grants to local units of government in the 80 most distressed counties in the state (tier 1 and 2)
- Grants can pay for publicly-owned infrastructure, such as water, sewer, industrial access, etc.
- The funding source is the Jobs Development Investment Grant (JDIG) program



JDIG Overview

- Discretionary, performance-based incentive
- Companies receive a percentage of its state withholdings back over a period of up to 12 years
- If the company locates in a tier 2 county, 10% of its potential payment is diverted to the Utility Account
- For tier 3, that number is 25%



JDIG Overview (cont.)

- There are currently 123 active JDIG awards that could potentially contribute to the Utility Account
- Metrics include number of jobs, average wage and investment



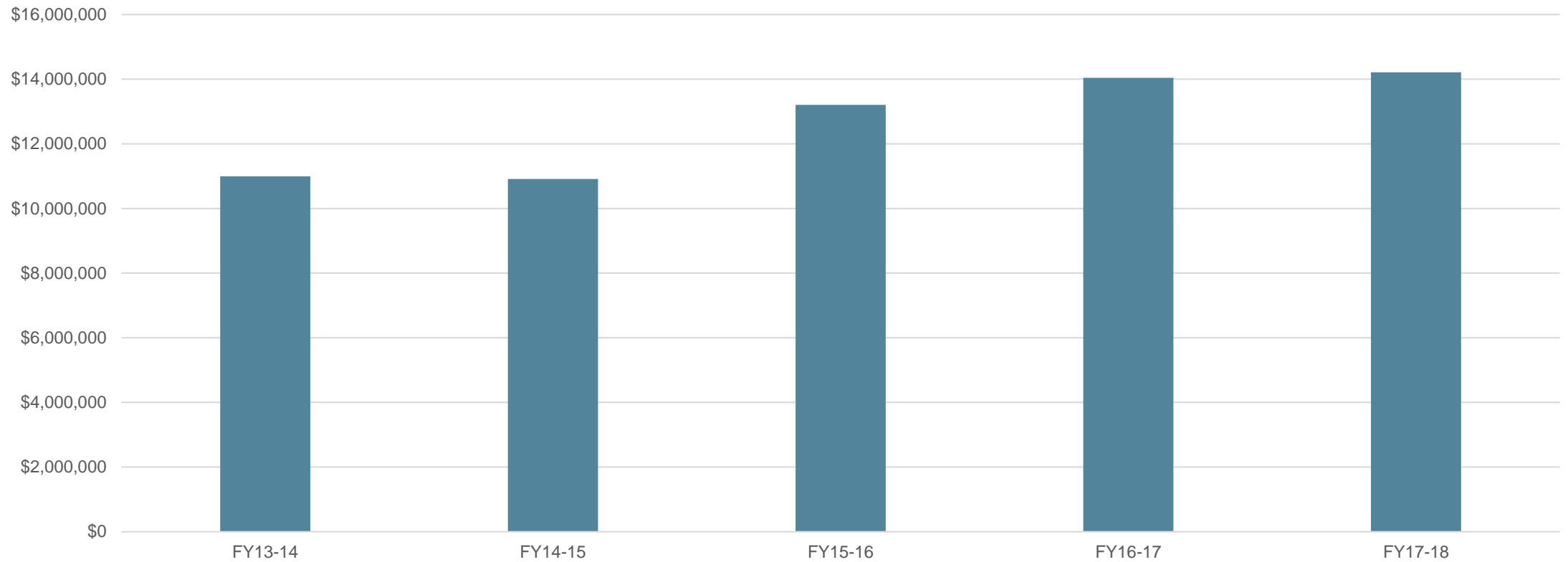
JDIG Case Study – Met Life

- **The company commits** 2,622 jobs in Wake and Mecklenburg counties over three years at an average wage of \$81,891 with investment of \$125.5 million
- **The state offers** a 12 year grant at 75% of withholdings
- Jobs will generate state withholdings of almost \$160 million over 12 years
- Through the JDIG grant, **the company is eligible to receive 75%** (~\$120 million) of those withholdings
- Because the project located in a tier 3 county, the other 25% of the potential award **(\$29 million) goes to the Utility Account**

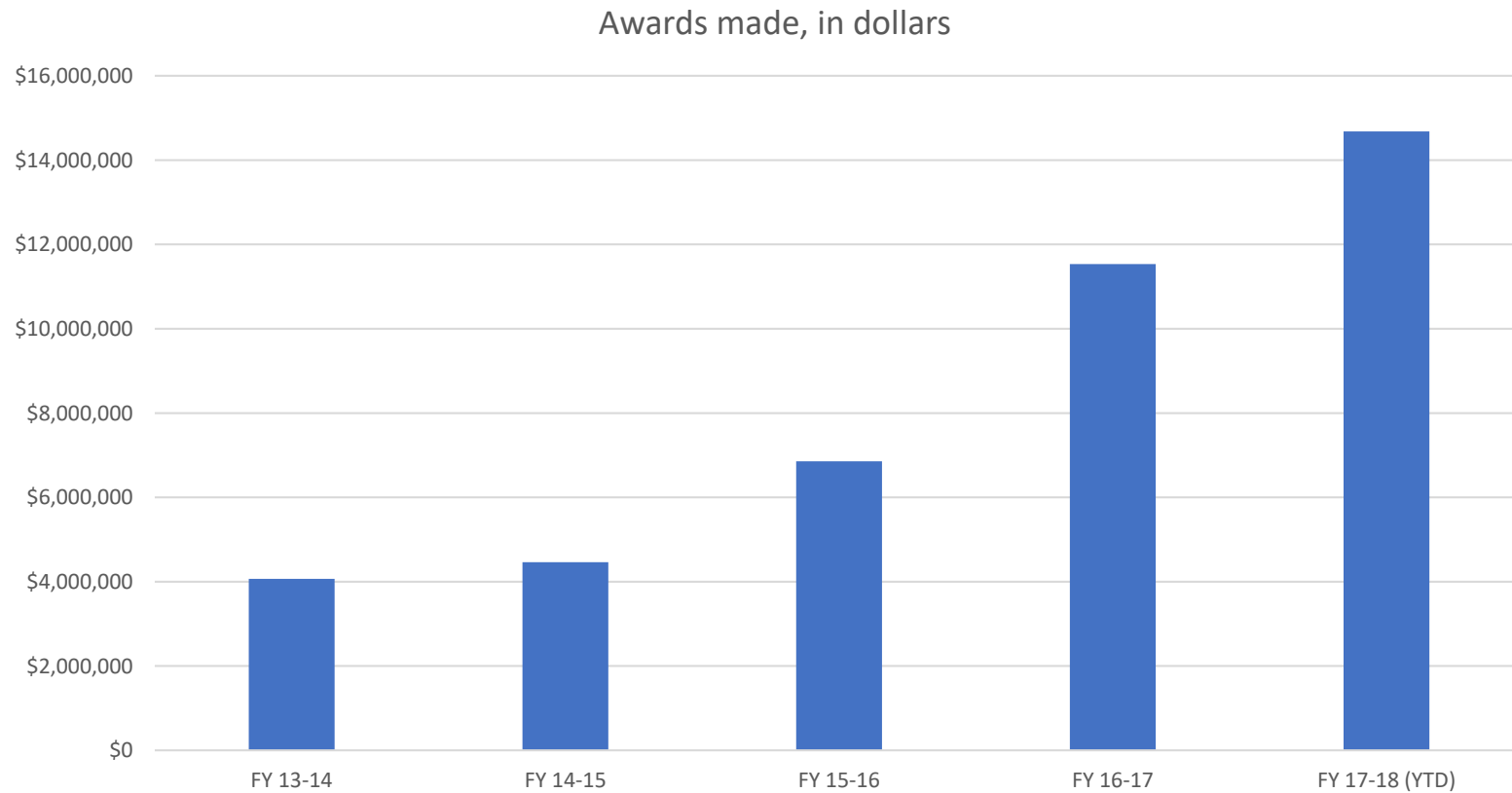


Utility Account Revenue Stream

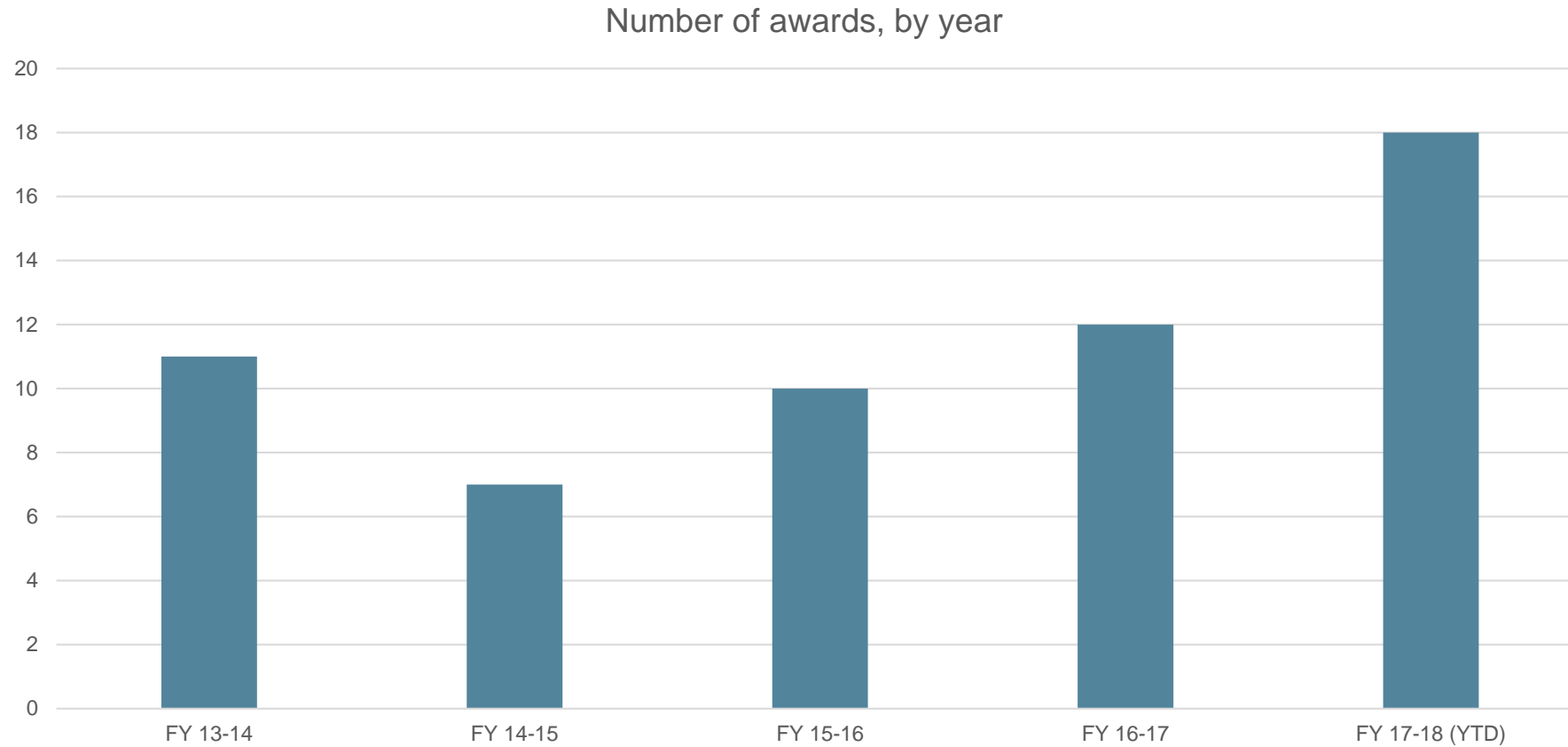
Funding July 1, 2013 to present



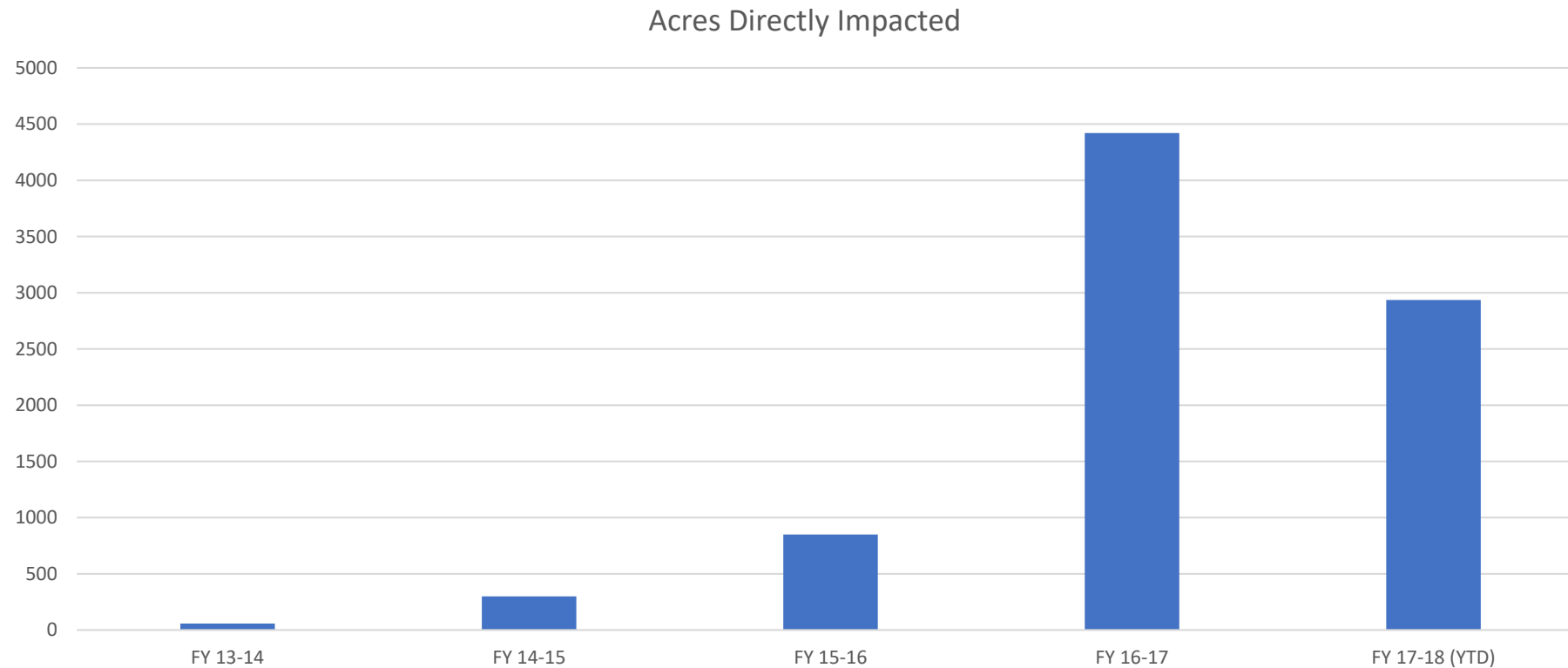
Utility Account Grants (in total dollars)



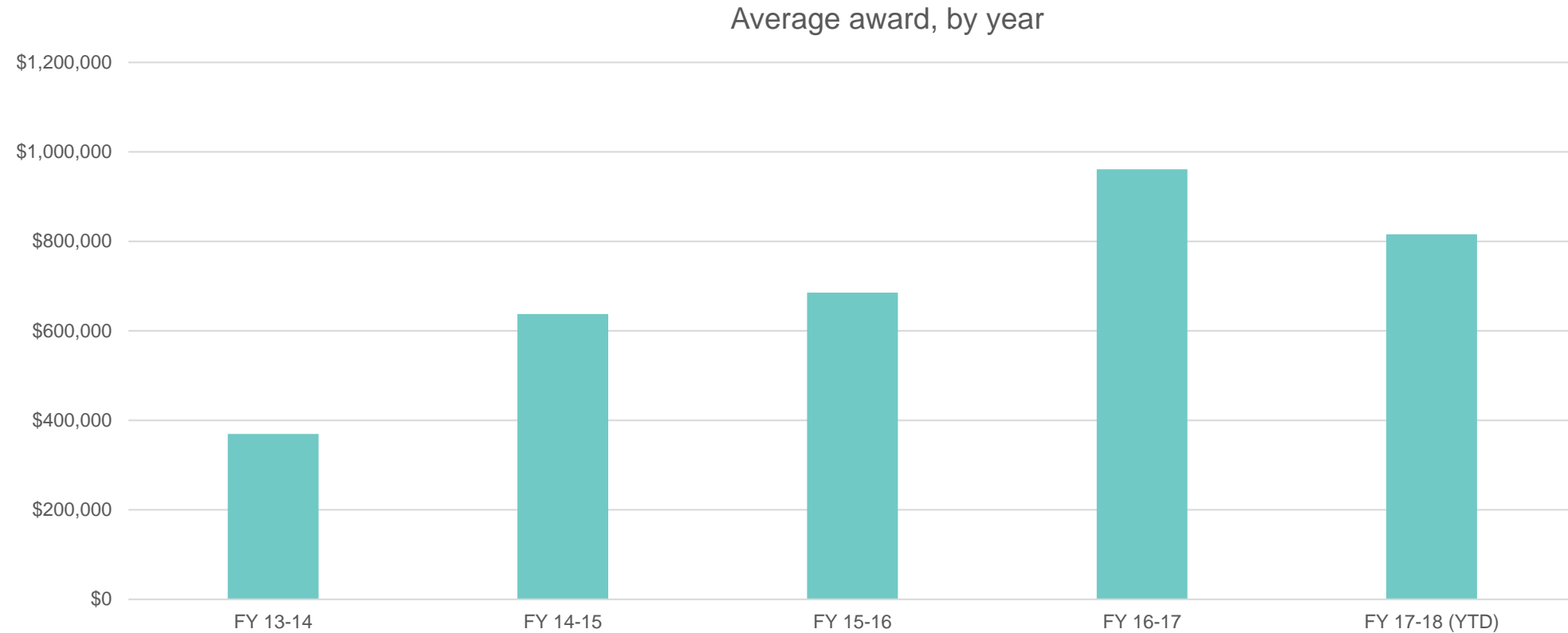
Number of Utility Account Grants (by year)



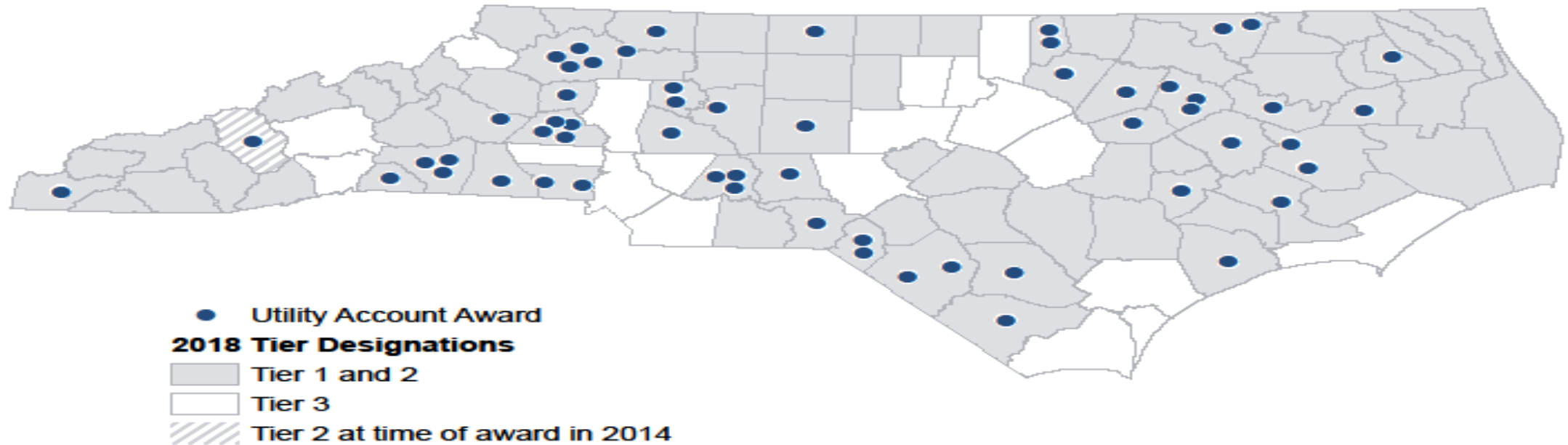
Acres Directly Impacted (by year)



Average Amount of Utility Account Award (by year)



Utility Account Projects Awarded by the Rural Infrastructure Authority December 2013 - October 2017



This product is for informational purposes only and represents only an approximate relative location. Map created January 2018



Takeaways

- The Utility Account continues to be an invaluable tool to drive economic development in distressed areas of the state
- Success breeds more success
- The trend toward building inventory (site ready industrial parks) is paying immediate dividends
- Minimal barriers to entry:
 - Local participation
 - Industrial site under public control (or option)
 - One must apply

